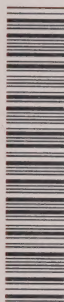


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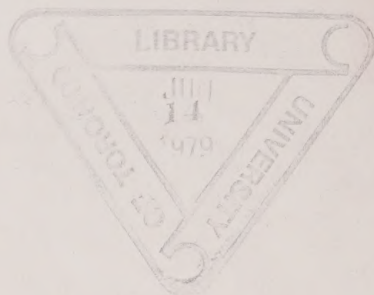
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Ontario

TEACHERS' SUPERANNUATION COMMISSION

**REPORT TO CONTRIBUTORS
FOR THE YEAR ENDED
DECEMBER 31, 1976**



Chairman's Report

The issuance of the Superannuation Summary to teachers in December, 1976 has resulted in a very sharp increase in the amount of correspondence received at the offices of the Commission. In fact, the normal volume of mail has more than doubled and, consequently, the turn-around time for replies has increased substantially.

This is a matter of some concern for the Commission. As a result the daily work schedules are being reviewed and the staff complement is being increased in order to provide a more efficient service. The present facilities will accommodate only a modest increase in staff and an investigation will be made of a possible addition to the building.

The number of workshops in connection with superannuation and related matters sponsored by the various affiliates of the Ontario Teachers' Federation has increased greatly the call on the Director

and those members of the staff who are qualified to deal with the many wide-ranging questions from teachers who have problems or concerns in connection with their individual circumstance.

In order to relieve the pressure on the regular staff members, the Chairman and a number of members of the Commission have volunteered to participate in such workshops in order to increase the number of persons who are available for consultation purposes.

The participating members of the Commission are happy to have this opportunity of meeting with teachers at the grass-roots level and of gaining first-hand knowledge of the many particulars that are of concern to members of the teaching profession.

J. R. Thomson

Director's Report

Following up our pilot project which I reported on in the 1975 Report to Contributors, we sent out a statement to all contributors in December 1976. This was produced on a new format showing a record of individual contributions for a teacher's full period of service.

To give an individual some idea of the value of the pension, we made an estimate of the allowance which would be paid to that person were he to continue to teach until the end of the school year in which he either reaches the 90 factor or the age of 65. Rather than attempt to forecast future salary increases, we took the salary for the year 1975 and projected that salary to retirement. We did not attempt to provide an estimate for anyone with less than 10 years of service credit.

The individual teacher was asked to check the information provided and to report to us any apparent discrepancies in the record of teaching service. This is the first time that we have attempted to indicate to a teacher the record of service since this information has been transferred to a data processing medium. In the transfer of hand produced records to the computer, there have been errors made and we are attempting, with your assistance, to ensure that the information we have in the computer is accurate.

All your enquiries are being checked with the original reports made by Boards, and if our records are in error the appropriate changes are being made. A corrected statement will be sent to the teacher. This extra work has placed a severe strain on our facilities and it has been impossible to get a reply within a normal reply period. We ask that you be patient, for a thorough investigation of any question takes time. We hope that, by taking extra time at this point, our next statement when it is sent to you will be a more accurate one.

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We found a few places in the statement where we feel we can improve upon the product and we plan to make these changes before the next statement is sent to you. We still have to decide how frequently they should be sent out. Our total cost of producing and mailing the statements was \$11,512.00. This works out to about 11¢ per individual.

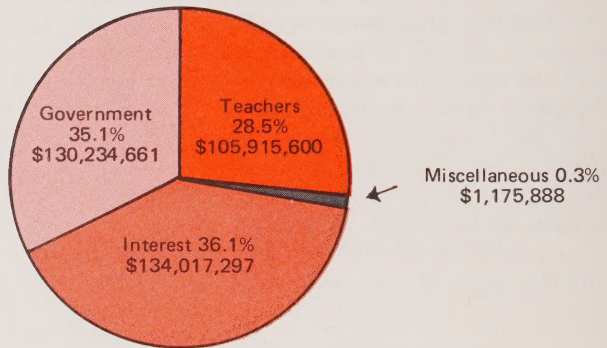
The interest paid on our permanent investments for the period April 1, 1976 to March 31, 1977 was 10.11%. This rate is determined by the weighted average yield to maturity of long-term securities issued or guaranteed by the Province of Ontario during the period April 1975 to March 1976. There is added to this average 1/8 of 1% in lieu of administrative costs.

As an experiment we are changing the office hours to a 4½ day week. To accomplish this the office hours will be longer from Monday to Thursday and the office will close at noon on Friday. This gives the same number of working hours. To cover enquiries, which are usually much fewer in number on Friday afternoon, we have installed an Answering Service which will enable us to call back on Monday. If this trial is not satisfactory to all concerned, we will revert to the usual 5-day schedule but we hope that it will enable us to provide for normal service without irritation to our "customers".

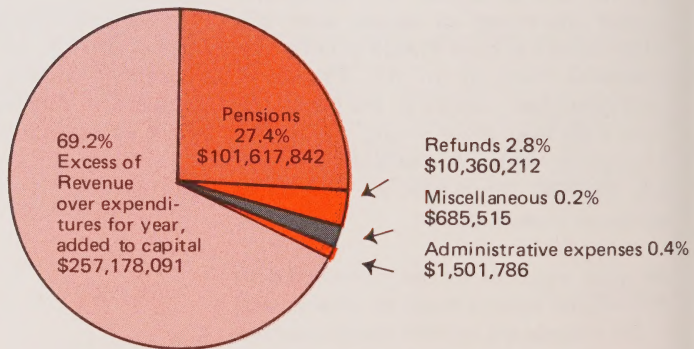
J. R. Causley

**For the Period
January 1, 1976 to December 31, 1976**

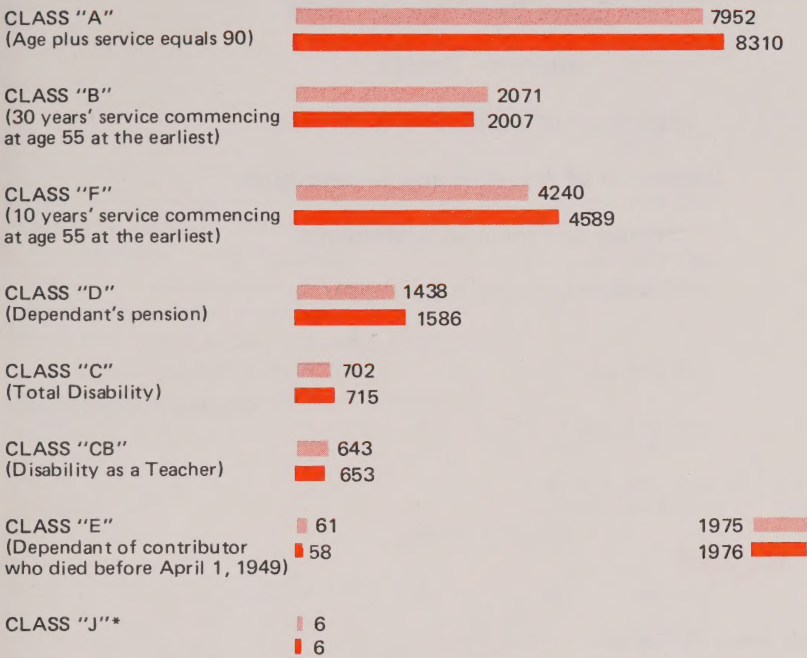
Income



Distribution

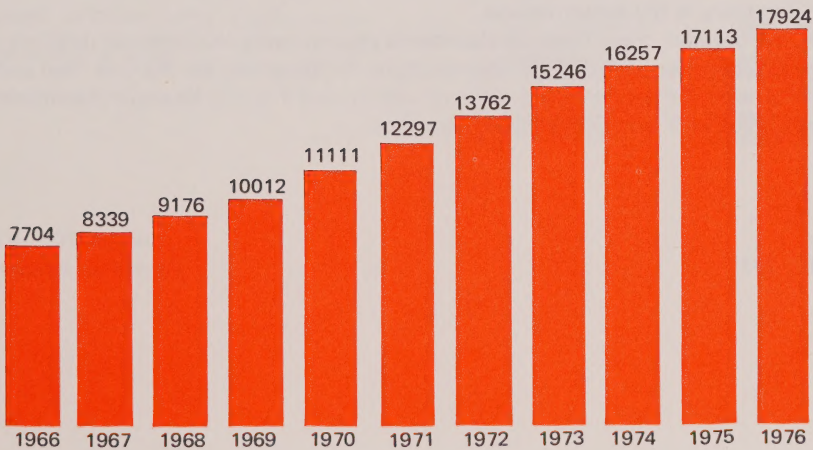


Changes in the Pension Register in the Fiscal Periods 1975 – 1976



*Class "J" pension is one where the teacher has elected to receive a reduced pension which, when he dies, is payable in half the amount to a named dependant.

Number of Pensioners



For the Fiscal Period Ending December 31, 1976

Teachers' Superannuation Fund
Financial Statements
Year Ended December 31, 1976

Auditors' Report

Statement of Assets and Liabilities

Statement of Revenue and Expenditure

Notes to Financial Statements

Administration Expenses

Thorne
Riddell
& Co.

Chartered Accountants

Auditors' Report

The Honourable Darcy McKeough
Minister of Treasury
Economics and Intergovernmental Affairs
The Province of Ontario

We have examined the statement of assets and liabilities of the Teachers' Superannuation Fund as at December 31, 1976 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1976 and the results of its operations for the year then ended in accordance with the accounting policies set out in note 1 to the financial statements on a basis consistent with that of the preceding period.

North York,
Ontario
April 18, 1977

Thorne Riddell & Co.
Chartered Accountants

Teachers' Superannuation Fund

Statement of Assets And Liabilities

December 31, 1976

ASSETS

	1976	1975
Cash	\$ 956,252	\$ 454,381
Receivable from the Province of Ontario		
Contributions by the Province	75,981,120	
Interest on contributions	7,460,634	
Increase in pension payment		1,536,143
Short term notes, at cost plus accrued interest of \$125,000 (\$66,275 in 1975)	24,375,000	15,816,275
Investments, at cost plus accrued interest (note 4)	1,839,518,000	1,674,566,086
	<u>\$1,948,291,006</u>	<u>\$1,692,372,885</u>

LIABILITIES

Accounts payable and accrued liabilities.	\$ 748,248	\$ 670,373
Payable to school boards, net.	347,368	74,033
Due to The Superannuation Adjustment Benefits Fund	319,002	1,930,182
	<u>1,414,618</u>	<u>2,674,588</u>

CAPITAL FUND

Balance at beginning of year.	1,689,698,297	1,405,610,342
Add excess of revenue over expenditure.	257,178,091	284,087,955
Balance at end of year.	<u>1,946,876,388</u>	<u>1,689,698,297</u>
	<u>\$1,948,291,006</u>	<u>\$1,692,372,885</u>

Teachers' Superannuation Fund

Statement Of Revenue And Expenditure

Year Ended December 31, 1976

	REVENUE	1976	1975 (note 2)
Contributions from participants			
Teaching for Ontario boards.	\$	98,630,279	\$ 87,852,702
Teaching in designated private schools.		1,734,256	1,465,528
Outside services.		169,111	209,020
Miscellaneous.		5,381,954	5,207,287
		<u>105,915,600</u>	<u>94,734,537</u>
Contributions from the Provincial Treasury per section 22 of the Teachers' Superannuation Act, including interest of \$7,460,634 (\$6,650,838 in 1975).		83,441,754	74,384,768
Special payments from the Provincial Treasury			
Interest on 1966 actuarial unfunded liability.		19,696,920	23,197,500
Amortization of post 1966 actuarial unfunded liability and interest thereon.		21,913,650	45,280,500
Experience deficiency (overpayment) and interest thereon (note 3).		(20,203,800)	9,835,000
Minimum pension subsidy.		25,386,137	20,889,206
		<u>46,792,907</u>	<u>99,202,206</u>
Interest earned			
Province of Ontario debentures.		131,021,204	128,221,922
Temporary investments.		2,050,470	808,532
Repayment of refunds and sundry interest.		945,623	1,679,273
		<u>134,017,297</u>	<u>130,709,727</u>
Transfers from other pension funds.		658,072	1,523,139
Repayments of refunds by former participants resuming teaching.		517,816	394,161
TOTAL REVENUE	\$	<u>371,343,446</u>	<u>400,948,538</u>

EXPENDITURE

Pensions paid			
Service.	\$	90,756,050	91,165,206
Disability.		5,597,086	5,934,097
Dependents.		5,221,175	4,932,224
Joint annuities.		43,531	46,590
		<u>101,617,842</u>	<u>102,078,117</u>
Refunds of contributions and interest thereon			
To participants who have withdrawn.		9,999,256	11,634,103
To representatives of deceased participants.		360,956	489,981
		<u>10,360,212</u>	<u>12,124,084</u>
Transfers to other pension funds.		685,515	1,125,912
Administration expenses.		1,501,786	1,532,470
TOTAL EXPENDITURE	\$	<u>114,165,355</u>	<u>116,860,583</u>
EXCESS OF REVENUE OVER EXPENDITURE			
ADDED TO CAPITAL.		<u>257,178,091</u>	<u>284,087,955</u>
	\$	<u>371,343,446</u>	<u>400,948,538</u>

Teachers' Superannuation Fund

Notes To Financial Statements

December 31, 1976

1. ACCOUNTING POLICIES

(a) Fixed assets

In accordance with the provisions of the Teachers' Superannuation Act, all expenditures on real property are reflected as administration expenses in the statement of revenue and expenditure in the period of acquisition as are all other purchases of fixed assets.

(b) Revenue

Contributions from participants are reflected in the year in which they are received. Contributions from the Provincial Treasury are reflected in the year in which the payment is due while special payments from this source are reflected in the year of receipt.

Interest earned on short term notes and investments is recorded on an accrual basis.

(c) Refund of contributions and repayments of refunds

The liability of the fund for refunds of contributions to participants who have left the profession and have not yet withdrawn their contributions is not specifically set up, the liability being considered an actuarial liability similar to the liability of the fund for annuities. In addition, no asset has been set up for the amounts due from participants who withdrew their contributions upon temporarily leaving the profession but who have since resumed teaching.

2. CHANGE IN FISCAL YEAR

Pursuant to the Teachers' Superannuation Act, the 1975 fiscal year end of the fund was changed from October 31 to December 31 with the 1975 fiscal year being the fourteen month period ended December 31, 1975.

3. ACTUARIAL UNFUNDED LIABILITY

The amount of the actuarial unfunded liability is not reflected in the financial statements. The latest three actuarial reports show deficiencies at December 31 of each of the mentioned years as follows:

1972	\$557,877,000
1969	382,265,000
1966	328,282,000

The Pension Benefits Act of Ontario requires the employer to maintain the actuarial unfunded liability at its December 31, 1966 level. Accordingly the Province of Ontario is required to pay into the fund \$41,610,570 per year from 1973 to 1989 inclusive and \$19,696,920 per year thereafter.

Experience deficiency payments of \$20,203,800 received prior to December 31, 1975 have been deemed unnecessary and the resulting overpayment has been applied to reduce the 1976 unfunded actuarial liability payment to \$21,406,770.

4. INVESTMENTS

Investments consist of the following:

Province of Ontario debentures at cost:	1976	1975
6% due November 1, 1982	\$ 74,200,000	\$ 74,200,000
6% due November 1, 1987	176,000,000	176,000,000
6% due November 1, 1992	454,500,000	454,500,000
8.57% due May 1, 1996	18,000,000	18,000,000
8.57% due November 1, 1996	74,000,000	74,000,000
8.57% due January 1, 1997	18,000,000	18,000,000
8.57% due March 30, 1997	62,000,000	62,000,000
7.86% due May 1, 1997	25,500,000	25,500,000
7.86% due November 1, 1997	84,500,000	84,500,000
7.86% due January 1, 1998	9,500,000	9,500,000
8.06% due April 2, 1993	50,000,000	50,000,000
8.06% due May 1, 1993	32,000,000	32,000,000
8.06% due October 1, 1993	5,000,000	5,000,000
8.06% due November 1, 1993	92,000,000	92,000,000
8.06% due January 1, 1994	16,000,000	16,000,000
8.39% due April 1, 1999	2,600,000	2,600,000
8.39% due May 1, 1999	46,000,000	46,000,000
8.39% due September 30, 1999	40,000,000	40,000,000
8.39% due November 1, 1999	117,000,000	117,000,000
8.39% due January 1, 2000	80,500,000	80,500,000
10.04% due May 1, 1995	50,000,000	
10.04% due November 1, 1995	119,500,000	
10.04% due January 1, 1996	28,000,000	
Deposit with the Province of Ontario to be used in Purchasing Province of Ontario debentures	133,000,000 1,807,800,000	169,500,000 1,646,800,000
Accrued interest	31,718,000	27,766,086
	<u><u>\$1,839,518,000</u></u>	<u><u>\$1,674,566,086</u></u>

Schedule A Teachers' Superannuation Fund
Administration Expenses
Year Ended December 31, 1976

	1976	1975 (note 2)
Staff salaries	\$ 853,556	\$ 861,139
Staff benefits	100,455	102,492
Commissioners' salaries	19,450	13,075
Travel expense	19,520	14,739
Actuarial services	24,025	45,074
Medical fees	5,346	6,371
Audit fees	14,000	13,500
Legal fees	3,700	2,330
Postage	29,833	33,022
Printing and stationery	135,219	135,772
Data centre services	123,225	139,859
Rental of office equipment	35,305	40,522
Repairs and maintenance	29,732	30,109
Utilities	41,461	37,347
Insurance	2,134	230
Office equipment and furniture	15,501	9,261
Sundry expenses	42,625	43,177
Translation services	6,699	4,451
	<u><u>\$1,501,786</u></u>	<u><u>\$1,532,470</u></u>

Personnel of the Commission

as of December 31, 1976

(a) Appointed by the Minister:

Mr. J. R. Thomson (Chairman) Teachers' Superannuation Commission
Mr. H. A. Blanchard, Member, Teachers' Superannuation Commission
Mr. W. G. Chatterton, Member, Teachers' Superannuation Commission
Mr. P. W. Ferren, Director of Education, The Timmins Board of Education
Mr. J. F. Kinlin, Member, Teachers' Superannuation Commission
Mrs. Jean McConnell, Superintendent, Supervisory Services, Ministry of Education

(b) Teacher Representatives:

Mr. Fred Allen, Ontario Secondary School Teachers' Federation
Mrs. Marie Arthurs, Ontario English Catholic Teachers' Association
Mrs. Evelyne Bertrand, L'Association des Enseignants franco-ontariens
Mr. R. E. Poste, Ontario Public School Men Teachers' Federation and Urban Inspectors
Mrs. Mabel Stamp, Federation of Women Teachers' Associations of Ontario

Acknowledgements

The Commission acknowledges with deep appreciation the assistance which has been received throughout the year from its expert advisers —

Dr. B. W. Vale, Medical Referee
Mr. L. R. MacTavish, Solicitor
Eckler, Brown, Segal & Company Ltd., Actuary

The advice of these officials has contributed very greatly to the supervision of the Fund by the Commission.

Communications

All communications should be addressed to Mr. J. R. Causley,
Director, Teachers' Superannuation Commission, 190 Finch Avenue West,
Willowdale, Ontario, M2R 1M4. Telephone (416) 226-2700.

When corresponding with the Commission, the teacher must quote his/her Social Insurance Number.

(Issued by the Authority of the Teachers' Superannuation Commission, September, 1977.)

OFFICE CONSOLIDATION

THIS EDITION IS PREPARED FOR
PURPOSES OF CONVENIENCE ONLY,
AND FOR ACCURATE REFERENCE
RECOURSE SHOULD BE HAD TO THE
OFFICIAL VOLUMES OF THE ACTS
AND REGULATIONS.

This Publication is available
in the French language

